YEAR 2005

ANNUAL REPORT

OF THE

NAME Landmark Water Co., L.L.C.

LOCATION 3985 Valley Commons Drive, Bozeman, MT 59718

PRIVATE WATER UTILITY

TO THE

PUBLIC SERVICE COMMISSION

OF MONTANA

FOR THE YEAR ENDING December 31, 2005

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PUBLIC SERVICE COMMISSION

FORM NO. 402-A(12/88)

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1984 National Association of Utility Regulatory Commissioners Uniform System of Accounts for Water Utilities.

2. Interpret all accounting words or phrases in accordance with the USOA.

3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.

4. For any question, section or page which is not applicable to the respondent enter the words "Not Applicable or NA". Do not omit any pages.

5. Where dates are called for, the month and day should be stated as well as the year.

6. Complete this report by means which result in a permanent record.

7. If there is not enough room on any schedule, an additional page or pages may be added provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.

8. This report should be filled out in duplicate and one copy returned within 2 1/2 months after the close of the reporting period. The report should be returned to:

Montana Public Service Commission
Utility Division
2701 Prospect Avenue
Helena, Montana 59620

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REPORT OF

Landmark Water Co., LLC.
(Exact Name of Utility)

3985 Valley Commons Drive, Bozeman, MT 59718
(Address) (City, State, Zip Code)

For Year Ended 12/31/2005

Date Utility First Organized 2/11/2003

Telephone Number (406) 586-9922

Location where books and records are located see above

Contracts:			
Name	Title	Principal Business Address	Salary
Person to send correspondence:	Thomas L. Clinton Registered Agent	3985 Valley Commons Dr. Bozeman, MT 59718	XXXXXXX
Person who prepared this report:	Terri Zullo, Controller	3985 Valley Commons Dr. Bozeman, MT 59718	XXXXXXX
Officers & Managers:			$
Potter Clinton Development	Managing Member	3985 Valley Commons Dr. Bozeman, MT 59718	$ 0
			$
			$
			$

Report every corporation or person owning interest or holding directly or indirectly 5 percent or more of the voting securities of the reporting utility:

Name	Precent Ownership in Utility	Principal Business Address	Salary Charged Utility
Landmark Development - Bozeman, LLC	100%	3985 Valley Commons Dr. Bozeman, MT 59718	$ 0
			$
			$

INCOME STATEMENT

Account Name	Current Year 2005	Previous Year 2004
GROSS REVENUE:		
Metered		
Residential	119,566	63,507
Commercial		
Industrial		
Other		
Unmetered		
Residential		
Commerical		
Industrial		
Fire Protection		
Bulk Sales		
Sale of Materials		
Other		
TOTAL GROSS REVENUE	119,566	63,507
Operation and Maintenance Expense	87,452	42,256
Depreciation Expense	49,847	47,068
Taxes Other Than Income		
Income Taxes		
Deferred Federal Income Taxes		
Deferred State Income Taxes		
TOTAL OPERATING EXPENSE	137,299	89,324
NET OPERATING INCOME (LOSS)	(17,733)	(25,817)
Other Income:		
Non-Utility Income		
Other Deductions:		
Non-Utility Expenses		
Interest Expense		
NET INCOME (LOSS)	(17,733)	(25,817)

COMPARATIVE BALANCE SHEET

ACCONT NAME	CURRENT YEAR 2005	PREVIOUS YEAR 2004
Assets:		
Utility Plant In Service	928,729	928,729
Accumulated Depreciation and Amortization	(120,128)	(70,281)
Net Utility Plant	808,601	858,448
Cash	53,882	21,249
Customer Account Receivable	8 513	5,945
Other Assets (Specify)		
Total Assets	870,996	885,642
Liabilities an Capital:		
Common Stock Issued		
Preferred Stock Issued		
Other Paid In Capital		
Retained Earnings	(65,238)	(47,505)
Proprietary Capital		
Total Capital		
Long Term Debt		
Accounts Payable	7,505	4,418
Notes Payable		
Customer Deposits		
Accrued Taxes		
Other Liabilities (Specify)		
Advances for Construction		
Contributions In Aid Of Construction	928,729	928,729
Total Liabilities and Capital	870,996	885,642

Accumulated Depreciation and Amortization of Utility Plant

Account 108	Current Year	Previous Year
Balance First of Year	70281	23218
Credits During Year		
Accruals Charged to Depreciation Account	49,847	47068
Salvage		
Other Credits (Specify)		
Total Credits	120,128	70,281
Debits During Year:		
Book Cost of Plant Retired		
Cost of Removal		
Other Debits (Specify)		
Balance End of Year	120,128	70,281

CONTRIBUTIONS IN AID OF CONSTRUCTION

Report below all contractor and developer agreements and line extension agreements from which cash or property was received during the year.	Indicate "Cash or Property"	Amount
Landmark Development - Bozeman, LLC		no additions
Total During Year		

ACCUMULATED DEFERRED INCOME TAXES

Description	Total
Accumulated Deferred Income Taxes:	
Federal	
State	
Total Accumulated Deferred Income Taxes	

CAPITAL STOCK

	Common Stock	Preferred Stock
Par or stated value per share		
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued		
Dividends declared per share for year		

RETAINED EARNINGS

	Appropriated	Unappropriated
Balance first of year		(47,505)
Changes during year (Specify): Transferred from Income		(17,733)
Balance end of year		(65,238)

PROPRIETARY CAPITAL

	Proprietor or Partner	Partner
Balance first of year		
Changes during year (specify):		
Balance end of year		

LONG TERM DEBT

Description of Obligation	Interest		Principal Per Balance Sheet Date
	Rate	Pymts	
Total			

WATER UTILITY PLANT ACCOUNTS

Acct No.	Account Name	Previous Year	Additions	Retirements	Current Year
301	Organization	87,961			87,961
302	Franchises				
303	Land & Land Rights				
304	Structures and Improvements				
305	Collecting and Impounding Reservoirs				
306	Lake River and Other Intakes				
307	Wells and Springs				
308	Infiltration Galleries and Tunnels				
309	Supply Mains	146,883			146,883
310	Power Generation Equipment				
311	Pumping Equipment				
320	Water Treatment Equipment				
330	Distribution Reservoirs and Standpipes				
331	Tranmission and Distribution Mains	577,218			577,218
333	Services				
334	Meters and Meter Installations	2,547			2,547
335	Hydrants	114,120			114,120
339	Other Plant and Miscellaneous Eqipment				
340	Office Furniture and Equipment				
341	Transportation Equipment				
342	Stores Equipment				
343	Tools, Shop & Garage Equipment				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	Total Water Plant	928,729			928,729

WATER OPERATION AND MAINTENANCE EXPENSE

ACCOUNT NAME	AMOUNT
Salaries and Wages - Employees	
Salaries and Wages - Officers, Directors and Majority Stockholders	
Employee Pensions and Benefits	
Purchased Water	78164
Purchased Power	
Fuel For Power Production	
Chemicals	
Materials and Supplies	816
Contractual Services	7458
Rents	
Transportation Expense	
Insurance Expense	
Regulatory Commission Expense	65
Bad Debt Expense	2
Miscellaneous Expense	947
Total	87,452

PAYMENTS FOR SERVICES RENDERED BY OTHER THAN EMPLOYEES

Report all information concerning rate, management, construction, advertising, labor relations, public relations, or other similar services rendered the respondent for which the aggregate payments during the year to any corporation, partnership, individual or organization of any kind whatever, amounting to $500. or more. Utilities having revenue in excess of $100,000 should report amounts of $5,000 or more.

Name of Recipient	Amount	Description of Service
Potter Clinton Development	4800	Bookkeeping / Accounting
River Rock County Water & Sewer District	78164	Purchased Water

ANALYSIS OF ACCUMULATED DEPRECIATION BY PRIMARY ACCOUNT

ACCT. NO.	ACCOUNT	AVERAGE SERVICE LIFE IN YEARS	AVERAGE SALVAGE IN PERCENT	DEPR. RATE APPLIED	ACCUMULATED DEPRECIATION BALANCE PREVIOUS YEAR	DEBITS	CREDITS	ACCUMULATED DEPRECIATION BALANCE END OF YEAR
304	Structures & Improvements		%	%				
305	Collecting & Impounding Reservoirs		%	%				
306	Lake River & Other Intakes		%	%				
307	Wells and Springs		%	%				
308	Infiltrations Galleries & Tunnels		%	%				
309	Supply Mains	20	0 %	5 %	14615		7344	21959
310	Power Generating Equip.		%	%				
311	Pumping Equipment		%	%				
320	Water Treatment Equip.		%	%				
330	Distribution Reservoirs & Standpipes		%	%				
331	Trans. & Dist. Mains	20	0 %	5 %	37,208		28,861	66,069
333	Services		%	%				
334	Meter & Meter Installation	15	0 %	6.667 %	340		170	510
335	Hydrants	15	0 %	6.667 %	7,743		7,608	15,350
339	Other Plant & Misc. Equip.		%	%				
340	Office Furniture and Equipment		%	%				
341	Transportation Equip.		%	%				
342	Stores Equipment		%	%				
343	Tools, Shop & Garage Equipment		%	%				
344	Laboratory Equipment		%	%				
345	Power Operated Equipment		%	%				
346	Communication Equipment		%	%				
347	Miscellaneous Equipment		%	%				
348	Other Tangible Plant		%	%				
	Totals				59,906		43,982	103,888

SOURCES OF WATER SUPPLY

Surface Water: River_____ Lake_____ Stream_____ Impounding Res._____
Ground Water: Springs No._____ Shallow Wells No._____ Deep Wells No. _____

SUPPLY, TRANSMISSION & DISTRIBUTION MAINS (FEET)

Size Inches	First of Year	Laid During Year	Total	Abandoned During Yr.	Taken Up During Yr.	Total	Close of Year
12"	6873						6873
10"	2217						2217
8"	14236						14236
6"	6568						6568
Total	29894						29894

RESERVOIRS, STANDPIPES AND PURIFICATION SYSTEM

Number of Reservoirs _____ Capacity in Gallons _____
Number of Standpipes _____ Capacity in Gallons _____
Method of Purification _____

SERVICES AND METERS

Services	1/2 in.	5/8 in.	1 in.	1 1/2 in.	2 in.	3 in.	4 in.	6 in.	3/4"	
									240	
Meters										

NUMBER AND CLASSIFICATION OF CONSUMERS

Classification	-Beginning of Year- Metered	Unmetered	Total	-Close of Year- Metered	Unmetered	Total	Increase or Decrease
Residential	166		166	210		210	44
Commercial							
Industrial							
Fire Hydrants							
Governmental							
All Other							
Total	166		166	210		210	

TOTAL PUMPING STATION STATISTICS

Total Amount of Water Obtained by all methods during the Year _____ gals.
Maximum Water obtained all methods during any one day _____ gals.
Minimum Amount of Water obtained all methods during one day _____ gals.
Total Amount of Water passed through customers meters during year _____ gals.
Range of ordinary pressure on mains _____lbs. to _____lbs.
Range of fire pressure in mains _____lbs. to _____lbs.

STATE OF MONTANA)
County of Gallatin)

We, the undersigned, on our oath do severally say that the foregoing return the Landmark Water Co., L.L.C., , water utility, has been prepared under our direction from the original books, papers and records of said utility and declare the same to be a full, true and correct statement embracing all the financial transactions of said utility during the period for which the return is made.

Thomas L. Clinton

Thomas L. Clinton

Subscribed and sworn to before me this 18th day of August, 2006.

Terri Zullo

Terri Zullo

NOTARY PUBLIC for the State of Montana
Residing at Bozeman, Montana
My Commission Expires July 31, 2007